

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6196**

**BILL NUMBER: SB 22**

**DATE PREPARED:** Nov 13, 1998

**BILL AMENDED:**

**SUBJECT:** Scholarships for academic honors.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Indiana honors diploma higher education award as a scholarship program for persons domiciled in Indiana who graduate from a public or private high school with an Indiana honors diploma, and attend a public or private nonprofit institution of higher learning in Indiana on a full-time or part-time basis. It provides eligible students with a scholarship award in an amount (subject to the availability of appropriations) equal to 50% of the educational costs at public universities in Indiana, less an adjustment for money awarded to the student under other state higher education award programs. It provides for administration of the program by the State Student Assistance Commission. It appropriates from the state General Fund a sufficient amount to provide honors diploma higher education awards.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** To appropriate a sufficient amount to administer the program and make the awards, this program would need an estimated \$10.8 million in the first year.

The Commission on Higher Education estimates that 71.25% of the 9,678 high school graduates with honors diplomas will attend a college or university in Indiana. Consequently, 6,896 college students could qualify for this scholarship.

Of those attending college, 80% are estimated to attend a state university while 20% are likely to attend a private university. Of those attending a state university, roughly 15% will require some sort of financial assistance while the remaining 85% are likely to receive the full award of half of the weighted tuition because they do not qualify for any offsetting financial assistance from the State Student Assistance Commission. Using \$3,485 as the weighted average for FY 1999 tuition costs, the additional costs to the state for students attending state universities is \$8.9 million.

This analysis also assumes that 20% of high school graduates with honors diplomas will attend private

colleges in Indiana. Of these, 35% are estimated to receive some type of financial assistance from the State Student Assistance Commission while the other 65% are likely to receive the full award since they receive no other assistance from the programs administered by the Commission. The cost for providing financial awards for them is estimated at \$1.98 million.

In addition, the State Student Assistance Commission estimates that it will need an additional \$85,000 to administer the program.

The total cost of the program would be \$10.8 million when combining the costs of the awards and the costs of administration. In future years, the ongoing costs of the program will depend on tuition increases and any additional increase in students who earn an honors diploma and enroll in institutions of higher education in the state. Appropriations are subject to availability from the General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Student Assistance Commission

**Local Agencies Affected:** School corporations

**Information Sources:** Bob Ruble, Higher Education Commission; Dennis Obergfell, State Student Assistance Commission.